

SB0067



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0067

Introduced 1/31/2007, by Sen. Dale A. Righter

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-137	from Ch. 108 1/2, par. 7-137
40 ILCS 5/7-144	from Ch. 108 1/2, par. 7-144
30 ILCS 805/8.31 new	

Amends the Illinois Municipal Retirement Fund. Provides that an employee who was employed by a participating municipality or participating instrumentality that had not elected to exclude persons employed in positions normally requiring performance of duty for less than 1,000 hours per year or was employed in a position normally requiring performance of duty for 600 hours or more per year prior to such election by a participating municipality or participating instrumentality that is not entitled to receive earnings for employment in a position normally requiring performance of duty for 600 hours or more per year for a participating municipality and instrumentalities thereof and participating instrumentality receiving an annuity under the Article who is employed in a position that (i) requires performance of duty less than 1,000 hours per year and (ii) meets the definition of sheriff's law enforcement employee, other than the requirement of employment on a full-time basis. Provides that any such person shall not be disqualified from receiving a retirement annuity by reason of that employment. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 05359 AMC 25444 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 7-137 and 7-144 as follows:

6 (40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

7 Sec. 7-137. Participating and covered employees.

8 (a) The persons described in this paragraph (a) shall be
9 included within and be subject to this Article and eligible to
10 benefits from this fund, beginning upon the dates hereinafter
11 specified:

12 1. Except as to the employees specifically excluded
13 under the provisions of this Article, all persons who are
14 employees of any municipality (or instrumentality thereof)
15 or participating instrumentality on the effective date of
16 participation of the municipality or participating
17 instrumentality beginning upon such effective date.

18 2. Except as to the employees specifically excluded
19 under the provisions of this Article, all persons, who
20 became employees of any participating municipality (or
21 instrumentality thereof) or participating instrumentality
22 after the effective date of participation of such
23 municipality or participating instrumentality, beginning

1 upon the date such person becomes an employee.

2 3. All persons who file notice with the board as
3 provided in paragraph (b) 2 and 3 of this Section,
4 beginning upon the date of filing such notice.

5 (b) The following described persons shall not be considered
6 participating employees eligible for benefits from this fund,
7 but shall be included within and be subject to this Article
8 (each of the descriptions is not exclusive but is cumulative):

9 1. Any person who occupies an office or is employed in
10 a position normally requiring performance of duty during
11 less than 600 hours a year for a municipality (including
12 all instrumentalities thereof) or a participating
13 instrumentality. If a school treasurer performs services
14 for more than one school district, the total number of
15 hours of service normally required for the several school
16 districts shall be considered to determine whether he
17 qualifies under this paragraph;

18 2. Any person who holds elective office unless he has
19 elected while in that office in a written notice on file
20 with the board to become a participating employee;

21 3. Any person working for a city hospital unless any
22 such person, while in active employment, has elected in a
23 written notice on file with the board to become a
24 participating employee and notification thereof is
25 received by the board;

26 4. Any person who becomes an employee after June 30,

1 1979 as a public service employment program participant
2 under the federal Comprehensive Employment and Training
3 Act and whose wages or fringe benefits are paid in whole or
4 in part by funds provided under such Act;

5 5. Any person who is actively employed by a
6 municipality on its effective date of participation in the
7 Fund if that municipality (i) has at least 35 employees on
8 its effective date of participation; (ii) is located in a
9 county with at least 2,000,000 inhabitants; and (iii)
10 maintains an independent defined benefit pension plan for
11 the benefit of its eligible employees, unless the person
12 files with the board within 90 days after the
13 municipality's effective date of participation an
14 irrevocable election to participate.

15 6. Any person described in item (i) of paragraph 2 of
16 subsection (a) of Section 7-141 receiving an annuity under
17 this Article who is employed in a position that (i)
18 requires performance of duty less than 1,000 hours per year
19 and (ii) meets the definition of sheriff's law enforcement
20 employee in Section 7-109.3, other than the requirement of
21 employment on a full-time basis.

22 (c) Any person electing to be a participating employee,
23 pursuant to paragraph (b) of this Section may not change such
24 election, except as provided in Section 7-137.1.

25 (d) Any employee who occupied the position of school nurse
26 in any participating municipality on August 8, 1961 and

1 continuously thereafter until the effective date of the
2 exercise of the option authorized by this subparagraph, who on
3 August 7, 1961 was a member of the Teachers' Retirement System
4 of Illinois, by virtue of certification by the Department of
5 Registration and Education as a public health nurse, may elect
6 to terminate participation in this Fund in order to
7 re-establish membership in such System. The election may be
8 exercised by filing written notice thereof with the Board or
9 with the Board of Trustees of said Teachers' Retirement System,
10 not later than September 30, 1963, and shall be effective on
11 the first day of the calendar month next following the month in
12 which the notice was filed. If the written notice is filed with
13 such Teachers' Retirement System, that System shall
14 immediately notify this Fund, but neither failure nor delay in
15 notification shall affect the validity of the employee's
16 election. If the option is exercised, the Fund shall notify
17 such Teachers' Retirement System of such fact and transfer to
18 that system the amounts contributed by the employee to this
19 Fund, including interest at 3% per annum, but excluding
20 contributions applicable to social security coverage during
21 the period beginning August 8, 1961 to the effective date of
22 the employee's election. Participation in this Fund as to any
23 credits on or after August 8, 1961 and up to the effective date
24 of the employee's election shall terminate on such effective
25 date.

26 (e) Any participating municipality or participating

1 instrumentality, other than a school district or special
2 education joint agreement created under Section 10-22.31 of the
3 School Code, may, by a resolution or ordinance duly adopted by
4 its governing body, elect to exclude from participation and
5 eligibility for benefits all persons who are employed after the
6 effective date of such resolution or ordinance and who occupy
7 an office or are employed in a position normally requiring
8 performance of duty for less than 1000 hours per year for the
9 participating municipality (including all instrumentalities
10 thereof) or participating instrumentality except for persons
11 employed in a position normally requiring performance of duty
12 for 600 hours or more per year (i) by such participating
13 municipality or participating instrumentality prior to the
14 effective date of the resolution or ordinance, (ii) by any
15 participating municipality or participating instrumentality
16 prior to January 1, 1982 and (iii) by a participating
17 municipality or participating instrumentality, which had not
18 adopted such a resolution when the person was employed, and the
19 function served by the employee's position is assumed by
20 another participating municipality or participating
21 instrumentality. A participating municipality or participating
22 instrumentality included in and subject to this Article after
23 January 1, 1982 may adopt such resolution or ordinance only
24 prior to the date it becomes included in and subject to this
25 Article. Notwithstanding the foregoing, a participating
26 municipality or participating instrumentality which is formed

1 solely to succeed to the functions of a participating
2 municipality or participating instrumentality shall be
3 considered to have adopted any such resolution or ordinance
4 which may have been applicable to the employees performing such
5 functions. The election made by the resolution or ordinance
6 shall take effect at the time specified in the resolution or
7 ordinance, and once effective shall be irrevocable.

8 (Source: P.A. 93-933, eff. 8-13-04.)

9 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

10 Sec. 7-144. Retirement annuities-Suspended during
11 employment.

12 (a) (1) If any person described in clause (i) of subsection
13 (a) 2 of Section 7-141 receiving any annuity again becomes an
14 employee and receives earnings from employment in a position
15 normally requiring performance of duty during 600 hours or more
16 per year for any participating municipality and
17 instrumentalities thereof or participating instrumentality; or
18 (2) if any person described in clause (ii) of subsection (a) 2
19 of Section 7-141 receiving any annuity returns to employment in
20 a position requiring him, or entitling him to elect, to become
21 a participating employee; then the annuity payable to such
22 employee shall be suspended as of the 1st day of the month
23 coincidental with or next following the date upon which such
24 person becomes such an employee. Upon proper qualification of
25 the participating employee payment of such annuity may be

1 resumed on the 1st day of the month following such
2 qualification and upon proper application therefor. The
3 participating employee in such case shall be entitled to a
4 supplemental annuity arising from service and credits earned
5 subsequent to such re-entry as a participating employee.

6 (b) Supplemental annuities to persons who return to service
7 for less than 48 months shall be computed under the provisions
8 of Sections 7-141, 7-142 and 7-143. In determining whether an
9 employee is eligible for an annuity which requires a minimum
10 period of service, his entire period of service shall be taken
11 into consideration but the supplemental annuity shall be based
12 on earnings and service in the supplemental period only. The
13 effective date of the suspended and supplemental annuity for
14 the purpose of increases after retirement shall be considered
15 to be the effective date of the suspended annuity.

16 (c) Supplemental annuities to persons who return to service
17 for 48 months or more shall be a monthly amount determined as
18 follows:

19 (1) An amount shall be computed under subparagraph b of
20 paragraph (1) of subsection (a) of Section 7-142,
21 considering all of the service credits of the employee;

22 (2) The actuarial value in monthly payments for life of
23 the annuity payments made before suspension shall be
24 determined and subtracted from the amount determined in (1)
25 above;

26 (3) The monthly amount of the suspended annuity, with

1 any applicable increases after retirement computed from
2 the effective date to the date of reinstatement, shall be
3 subtracted from the amount determined in (2) above and the
4 remainder shall be the amount of the supplemental annuity
5 provided that this amount shall not be less than the amount
6 computed under subsection (b) of this Section.

7 (4) The suspended annuity shall be reinstated at an
8 amount including any increases after retirement from the
9 effective date to date of reinstatement.

10 (5) The effective date of the combined suspended and
11 supplemental annuities for the purposes of increases after
12 retirement shall be considered to be the effective date of
13 the supplemental annuity.

14 (d) Notwithstanding the provision of subsection (a) of this
15 Section, if any person described in item (i) of paragraph 2 of
16 subsection (a) of Section 7-141 receiving any annuity becomes
17 an employee in a position meeting the definition of sheriff's
18 law enforcement employee in Section 7-109.3, other than the
19 requirement of employment on a full-time basis, that requires
20 performance of duty less than 1,000 hours per year, that person
21 shall not be disqualified from receiving a retirement annuity
22 by reason of that employment.

23 (Source: P.A. 82-459.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.31 as follows:

1 (30 ILCS 805/8.31 new)

2 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 95th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.